

WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007
Shai Y. Waisman

Attorneys for Debtors
and Debtors in Possession

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----x
In re : Chapter 11 Case No.
: :
LEHMAN BROTHERS HOLDINGS INC., et al. : 08-13555 (JMP)
: :
Debtors. : (Jointly Administered)
: :
-----x

**DECLARATION OF SHAI Y. WAISMAN IN SUPPORT
OF ORDER TO SHOW CAUSE AND NOTICE FIXING
HEARING DATE TO CONSIDER MOTION OF LEHMAN
BROTHERS HOLDINGS INC. PURSUANT TO SECTION 362
OF THE BANKRUPTCY CODE FOR ENFORCEMENT OF THE
AUTOMATIC STAY WITH RESPECT TO UK PENSION PROCEEDINGS**

I, Shai Y. Waisman, being fully sworn, hereby declare that the following is true to the best of my knowledge, information, and belief:

1. I am an attorney admitted to practice before this Court and a partner of Weil, Gotshal & Manges LLP, attorneys for Lehman Brothers Holdings Inc. (“LBHI”) and its affiliated debtors in the above-referenced chapter 11 cases (together, the “Debtors”). Unless otherwise indicated, I have knowledge of the facts set forth herein from various employees of the Debtors and from the Debtors’ professionals.

2. I submit this declaration in support of the Order to Show Cause (“Order to Show Cause”) in connection with LBHI’s motion, dated August 17, 2010 (the “Motion”)¹ pursuant to section 362 of title 11 of the United States Code (the “Bankruptcy Code”), for enforcement of the automatic stay with respect to the UK Pension Proceedings (as defined herein), all as more fully described in the Motion.

3. Pursuant to the procedures set forth in the second amended order entered on June 17, 2010 governing case management and administrative procedures for these cases [Docket No. 9635], the Motion requires at least fourteen days’ notice, plus an additional three days’ notice for service by U.S. mail.² The Debtors are requesting an order to shorten, by two (2) days, the notice period ordinarily required and setting the date of September 1, 2010, for the hearing on the Motion.

The Need for Shortened Notice with Respect to the Motion

4. On June 1, 2010, the UK Pensions Regulator (“TPR”) served a warning notice (the “Warning Notice”) on LBHI and certain of its foreign non-Debtor affiliates, thereby commencing certain administrative proceedings in the UK (the “UK Pension Proceedings”) with respect to the Lehman Brothers Pension Scheme (the “Pension Scheme”).

5. Through the UK Pension Proceedings, TPR and the trustees (the “Trustees”) of the Pension Scheme and the Board of the Pension Protection Fund (the “PPF Board” and together with the Trustees, the “Claimants”) seek to liquidate and enforce remedies on the prepetition claims of the Claimants (the “Claims”) in violation of the automatic stay.

¹ Capitalized terms used, but not defined herein shall have the meanings ascribed to such terms in the Motion.

² LBHI will serve the Motion on TPR (as defined herein), pursuant to the Article 10(a) of the Hague Convention on the Service Abroad of Judicial and Extrajudicial Documents, by registered U.S. mail.

6. On September 8-9, 2010, a panel appointed by TPR (the “Determinations Panel”) will conduct an oral hearing to determine whether to issue a financial support direction (“FSD”) to LBHI. By August 31, 2010, “skeleton arguments” must be submitted to the Determinations Panel.

7. Pursuant to the Motion, LBHI requests that the Court enforce the automatic stay as to the UK Pension Proceedings and enjoin TPR and the Claimants from attempting to liquidate or enforce remedies on the Claims. LBHI also seeks to confirm that TPR and the Claimants are subject to sanctions if they participate in the UK Pension Proceedings in any manner that affects LBHI’s assets, estates, or the administration of its chapter 11 case.

8. Cause exists to shorten the notice period ordinarily required for the Motion. LBHI’s estate is comprised of property of the estate “wherever located and by whomever held” under section 541(a) of the Bankruptcy Code and, as such, is within the exclusive jurisdiction of this Court. The UK Pension Proceedings affect the assets of LBHI’s estate. The decision of the United States Bankruptcy Court for the District of Delaware in In re Nortel Networks Corp., 426 B.R. 84 (Bankr. D. Del. 2010), attached to the Motion as Exhibit A, is directly on point and gave notice to TPR and the Claimants that commencing and participating in the UK Pension Proceedings would be a violation of the automatic stay.

9. Since the Nortel decision was issued, such decision was appealed, and a magistrate judge for the District of Delaware has issued a Report and Recommendation recommending that the bankruptcy court’s decision be affirmed substantially for the reasons set forth therein. Trustee of Nortel Networks U.K. Pension Plan v. Nortel Networks Inc., Case No. 10-00230-JJF-MPT (D. Del. Aug. 5, 2010) [Docket No. 49] (“Nortel II”).³ LBHI believes that

³ Nortel II is attached to the Motion as Exhibit B.

the relief requested herein is warranted and supported two decisions resting on very similar facts and circumstances.

10. LBHI believes that the recommendation in Nortel II that the Nortel decision be affirmed confirms for this Court the appropriateness of the Nortel decision and the necessity to the orderly administration of this chapter 11 case that the Claimants liquidate and recover their Claims through the claims process in this Court, particularly after having disregarded U.S. bankruptcy law and the decisions of U.S. courts.

11. Given the scheduled hearing before the Determinations Panel on September 8-9, 2010, LBHI requests that the Court enter the Order to Show Cause to shorten the notice period by two (2) days, so the Motion may be considered on September 1, 2010 at 2:00 p.m. (Prevailing Eastern Time), with objections and responses, if any, to be received by August 30, 2010 at 4:00 p.m. (Prevailing Eastern Time).

Dated: August 17, 2010
New York, New York

/s/ Shai Y. Waisman
Shai Y. Waisman

WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007

Attorneys for Debtors